GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2047
ANSWERED ON:15.03.2002
REQUEST OF MAHARASHTRA FOR DIVERTING LEVY SUGAR
ANANDRAO ADSUL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the State Government of Maharashtra have requested the Union Government to allowthe sugar producers to divert a huge unused stock of levy sugar produced in Maharashtra;

(b) if so, the details thereof;

(c) whether the Union Government are considering to give necessary permission to the sugar growers of Maharashtra to do so;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION(SHRI V. SREENIVASA PRASAD)

(a)&(b): The Maharashtra Government have requested to allow the sugar mills of the State to liquidate their unlifted levy stocks within three months.

(c),(d)&(e): In order to reduce levy sugar stocks, the Government has reduced the levy sugar obligation of the factories from 15% to 10% w.e.f. 01.03.2002. Besides, to reduce the sugar stocks held by the factories, the following steps have been taken by the Central Government:-

(i) Levy exemption has been given on the quantity of sugar exported.

(ii) The quantity of sugar exported is treated as advance free sale release and is adjusted after a period of 18 months from the date of release.

(iii) Duty Entitlement Pass Book (DEPB) @ 5% value of F.O.B. price of sugar has been allowed.

(iv) Quantitative ceiling on export of sugar has been removed.

(v) Advance releases of freesale sugar are made under the prescribed guidelines subject to adjustment and 5% levy obligations to needy sugar mills to enable them to clear cane price dues of the farmers and to reduce their stocks. Besides, the factories have been allowed to sell upto 10% of their quarterly quota over and above their normal quota to clear their cane price dues.

(vi) A quantity of 87,610.4 MTs was permitted to be sold as freesale sugar from some of the mills of Maharashtra in lieu of their unlifted levy sugar as a measure of temporary relief.